
Public Utilities Commission of the State of California

Results of Public Agenda 3160

Meeting Held on Thursday, October 6, 2005 10:00 a.m.

San Francisco, California

Commissioners

Michael R. Peevey, President

John A. Bohn

Geoffrey F. Brown

Dian M. Grueneich

Susan P. Kennedy

Website: <http://www.cpuc.ca.gov>

Scheduled Commission Meetings

505 Van Ness Avenue, San Francisco

<i>Ratesetting Deliberative Meeting*</i> <i>Room 5305</i> <i>(1:30 p.m.)</i> <i>Closed to the Public</i>	<i>Commission Meeting</i> <i>Auditorium</i> <i>(10 a.m.)</i> <i>Open to the Public</i>
Monday, October 24, 2005 (San Francisco)	Thursday, October 27, 2005 (San Francisco)
Tuesday, November 15, 2005 (San Francisco)	Friday, November 18, 2005 (San Francisco)
Monday, November 28, 2005 (San Francisco)	Thursday, December 01, 2005 (San Francisco)
Monday, December 12, 2005 (San Francisco)	Thursday, December 15, 2005 (San Francisco)

**Ratesetting Deliberative Meeting dates are reserved as noted but will be held only if there are ratesetting matters to be considered and a Commissioner has requested that a Ratesetting Deliberative Meeting be held.*

For further information contact the Public Advisor
(415) 703-2074 E-mail: public.advisor@cpuc.ca.gov



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PUBLIC COMMENT

The following items are not subject to public comment:

- All items on the closed session agenda; these are HEX and EX items.
-

Public Comment:

Re 23: Rhonda Mills, CEERT, Los Angeles, CA

Consent Agenda

Items shown on the Consent Agenda will be taken up and voted on as a group in one of the first items of business of each Commission meeting. Items may be removed from the Consent Agenda for discussion on the Regular Agenda at the request of any Commissioner prior to the meeting.

Orders and Resolutions

- 1**
[4887] **I03-09-030 - Investigation on the Commission's own motion into the Santa Clara Valley Transportation Authority's refusal to file an application for the widening of I-880 over the Authority's light rail line at North First Street in the City of San Jose, California, as required by California Public Utilities Code Sections 1201 et. seq. and 99152, and Order to Show Cause why the Authority should not be ordered to file an application for Commission approval.**

Pursuant to Pub. Util. Code §99152 and General Order 143-B, the Commission orders Santa Clara Valley Transportation Authority to file an application for safety review of future construction or modifications of its light rail transit system. This proceeding is closed.

(Comr Brown - ALJ Patrick)

Outcome Signed

[D05-10-004](#)

Yes: (Brown, Grueneich, Kennedy, Peevey)

No: (none)

Abstain: (none)

Absent: (Bohn)

- 2**
[4815] **Res ALJ-3160**
Ratification of preliminary determination of category for proceedings initiated by application. The preliminary determinations are pursuant to Article 2.5, Rules 4 and 6.1 of the Commission's Rules of Practice and Procedure.

Outcome Approved

Yes: (Brown, Grueneich, Kennedy, Peevey)

No: (none)

Abstain: (none)

Absent: (Bohn)

3

[4902]

Res L-321

This resolution authorizes disclosure of certain records concerning the Consumer Protection and Safety Division's investigation of the derailment of a Union Pacific Railroad freight train at or about the intersection of South Meridian and Rialto Avenues in San Bernardino on April 4, 2005.

Agenda 3159, Item 15 9/22/2005 (Staff)

Outcome Approved

Yes: (Brown, Grueneich, Kennedy, Peevey)

No: (none)

Abstain: (none)

Absent: (Bohn)

4

[4907]

A02-11-027 - Comm South Companies, Inc., Arbros Communications, Inc. and Arcomm Holding Co.

This decision orders Pacific Bell Telephone Company dba SBC California, Inc. to take over the intrastate long-distance telephone service for two telephone lines from a carrier that had its certificate of public convenience and necessity revoked. This proceeding is closed.

(Comr Brown - ALJ Kenney)

Outcome Signed

[D05-10-005](#)

Yes: (Brown, Grueneich, Kennedy, Peevey)

No: (none)

Abstain: (none)

Absent: (Bohn)

5

[4930]

A05-05-018 - Vertex Telecom, Inc. (Applicant).

This decision grants Applicant a certificate of public convenience and necessity to provide resold local exchange services. This proceeding is closed.

(Comr Bohn - ALJ Prestidge)

Outcome Signed

[D05-10-006](#)

Yes: (Brown, Grueneich, Kennedy, Peevey)

No: (none)

Abstain: (none)

Absent: (Bohn)

6

[4935]

R04-04-003 - Order Instituting Rulemaking to promote policy and program coordination and integration in electric utility resource planning.

This decision grants National Resources Defense Council for intervenor compensation in the amount of \$36,277.50 based on its substantial contributions to D04-12-048.

(Comr Peevey - ALJ Brown)

Outcome Signed (Comr. Grueneich recused herself from this agenda item and was not part of the quorum in its consideration.)

[D05-10-007](#)

Yes: (Brown, Kennedy, Peevey)

No: (none)

Abstain: (none)

Absent: (Bohn)

7

[4944]

Res W-4563 - Southern California Water Company, Region III.

This resolution records Southern California Water Company, Region III's status of reserve account recovery filing and results of earnings tests.

(Advice Letter 1181-W-B, filed July 5, 2005)

Outcome Approved

Yes: (Brown, Grueneich, Kennedy, Peevey)

No: (none)

Abstain: (none)

Absent: (Bohn)

8

[4945]

A02-12-027 - Southern California Gas Company (SoCalGas).

For authority to update its gas revenue requirement and base rates. A02-12-028, I03-03-016 - Related matters. This decision awards The Utility Reform Network \$109,683.49 in compensation for its substantial contribution to D05-03-023 on Phase Two of the Test Year 2004 consolidated general rate cases for SoCalGas and San Diego Gas & Electric Company.

(Comr Brown - ALJ Long)

Outcome Signed

[D05-10-008](#)

Yes: (Brown, Grueneich, Kennedy, Peevey)

No: (none)

Abstain: (none)

Absent: (Bohn)

9

[4948]

A02-12-027 - Southern California Gas Company.

For authority to update its gas revenue requirement and base rates. A02-12-028, I03-03-016 - Related matters. This decision awards Aglet Consumer Alliance \$66,291.04 in compensation for its contribution to D05-03-023.

(Comr Brown - ALJ Long)

Outcome Signed[D05-10-009](#)

Yes: (Brown, Grueneich, Kennedy, Peevey)

No: (none)

Abstain: (none)

Absent: (Bohn)

10

[4949]

I05-06-042 - Order Instituting Investigation on Commission's own motion into operations and practices of Wine & Roses Limousine Service, dba AA Limousine, AAA Limousine, Expresso Limousine, Expresso Transportation, AAA Corporate Limousines, Total Transportation Network, and LaGrande Affaire, and its President, Steve Bonner, to determine whether they have violated the laws, rules, and regulations governing the matter in which charter-party carriers conduct operations.

This decision approves settlement agreement. This proceeding is closed.

(Comr Brown - ALJ Bushey)

Outcome Held (10/27/05, Regular Agenda. Further consideration.)

Yes: (none)

No: (none)

Abstain: (none)

Absent: (none)

11

[4950]

P04-08-038 - National Submetering and Utility Allocation Association.

Petition to adopt, amend, or repeal regulations governing the provision of submetered gas and electric service found in Decisions 88651 and 93586. This decision awards The Utility Reform Network \$22,361.07 in compensation for its substantial contributions to D05-05-026. Today's award will be paid from the Commission's intervenor compensation program fund. This proceeding is closed.

(Comr Peevey - ALJ Cooke)

Outcome Signed[D05-10-010](#)

Yes: (Brown, Grueneich, Kennedy, Peevey)

No: (none)

Abstain: (none)

Absent: (Bohn)

12

[4953]

A05-06-034 - Catalina Channel Express, Inc. (Applicant).

This decision authorizes Applicant to increase its passenger fares between 10% and 15% on its Catalina Island vessel common carrier service. This proceeding is closed.

(Exam Clark)

Outcome Signed[D05-10-011](#)

Yes: (Brown, Grueneich, Kennedy, Peevey)

No: (none)

Abstain: (none)

Absent: (Bohn)

13

[4955]

C04-10-024 - Pac-West Telecomm, Inc. vs. AT&T Communications of California, Inc., Teleport Communications Group of San Francisco, Teleport Communications Group of Los Angeles, Teleport Communications Group of San Diego.

This decision extends the 12-month statutory deadline, pursuant to Pub. Util. Code §1701.2(d) for resolving this proceeding until further notice.

(Comr Kennedy - ALJ McKenzie)

Outcome Signed[D05-10-012](#)

Yes: (Brown, Grueneich, Kennedy, Peevey)

No: (none)

Abstain: (none)

Absent: (Bohn)

14

[4960]

A05-08-033 - Pacific Gas and Electric Company (PG&E).

PG&E proposed Encroachment Agreement with the Peninsula Corridor Joint Powers Board for the upgrade and expansion of the platform area and the installation, maintenance, and use of a temporary access ramp and stairs located at the Hillsdale Caltrain Station in the City of San Mateo within a PG&E easement area is exempt from the requirements of Pub. Util. Code § 851 under § 853(b). This proceeding is closed.

(Comr Brown - ALJ Barnett)

Outcome Signed[D05-10-013](#)

Yes: (Brown, Grueneich, Kennedy, Peevey)

No: (none)

Abstain: (none)

Absent: (Bohn)

Regular Agenda

Energy Orders

15 **R04-04-026 - Order Instituting Rulemaking to implement the California Renewables**
[4748] **Portfolio Standards Program.**

This decision sets forth the basic parameters for the participation of Energy Service Providers, Community Choice Aggregators, and small and multi-jurisdictional utilities in the Renewables Portfolio Standards program.

(Comr Peevey - ALJ Allen)

Agenda 3157, Item 51 8/25/2005 (Peevey);

Agenda 3158, Item 22 9/8/2005 (Bohn);

Agenda 3159, Item 29 9/22/2005 (Peevey)

Outcome Held (10/27/05. Further consideration.)

Yes: (none)

No: (none)

Abstain: (none)

Absent: (none)

15a **ALTERNATE TO ITEM 4748**

[4959]

This alternate lays out a policy that electric service providers, community choice aggregators, and small and multi-jurisdictional utilities must comply with certain fundamental aspects of the renewable portfolio standard (RPS) program, but that the commission may distinguish them on a policy basis from the large investor-owned utilities in terms of the manner in which they comply. The decision asks for further proposals from parties on this subject. The alternate also articulates policy preferences on the use of unbundled renewable energy credits for purposes of compliance with RPS.

(Comr Peevey)

Outcome Held (10/27/05. Further consideration.)

Yes: (none)

No: (none)

Abstain: (none)

Absent: (none)

16
[4897]

R04-03-017 - Order Instituting Rulemaking regarding policies, procedures and incentives for distributed generation and distributed energy resources.

This decision adopts a methodology for assessing the costs and benefits of distributed generation (DG). The purpose of this inquiry into cost-benefit methodologies is to assure that the state's support for DG projects is economically sound and to assure that state policies promote as much DG as is cost-effective, consistent with the Commission's general policy to include DG facilities as high-priority energy resources. The methodology the decision adopts today is designed to reflect the costs and benefits of DG facilities from various perspectives and employs existing data immediately, which will be modified in the future with the development of more precise economic values for some variables.

(Comr Peevey - ALJ Malcolm)

Outcome Held (11/18/05.)

Yes: (none)

No: (none)

Abstain: (none)

Absent: (none)

17
[4926]

R04-04-026 - Order Instituting Rulemaking to implement the California Renewables Portfolio Standard Program.

This decision conditionally approves the long-term procurement plans for the Renewables Portfolio Standard (RPS) program submitted by Pacific Gas and Electric Company, Southern California Edison Company, and San Diego Gas & Electric Company, and requires the utilities to supplement their plans with further information on transmission planning and contingency planning. The decision also directs that, in the future, long-term RPS planning be undertaken in the general procurement planning proceeding, R04-04-003 or its successor proceedings.

(Comr Peevey - ALJ Simon)

Outcome Signed (Comr. Grueneich recused herself from this agenda item and was not part of the quorum in its consideration.)

[D05-10-014](#)

Yes: (Brown, Kennedy, Peevey)

No: (none)

Abstain: (none)

Absent: (Bohn)

18 (Rev.)
[4940]

R04-01-025 - Order Instituting Rulemaking to establish policies and rules to ensure reliable, long-term supplies of natural gas to California.

This decision approves PG&E's confidential natural gas hedging plan for the years 2005/06, 2006/07 and 2007/08, while leaving the existing incentive mechanism known as Core Procurement Incentive Mechanism, or CPIM, intact. The decision modifies D04-01-047 by allowing PG&E to implement its Gas Hedging Plan, as attached to its Petition for Modification, with all costs and benefits accruing to PG&E's core gas customers.

(Comr Kennedy, Comr Peevey)

Agenda 3159, Item 32 9/22/2005 (Staff)

09/28/2005 - This revision was not shown on the Agenda mailed to the public.

Outcome Signed

[D05-10-015](#)

Yes: (Grueneich, Kennedy, Peevey)

No: (Brown)

Abstain: (none)

Absent: (Bohn)

18a (Rev.)
[4972]

ALTERNATE TO ITEM 4940

Alternate interim decision regarding changes needed to address volatility of high winter gas prices exacerbated by Hurricane Katrina.

(ALJ Weissman)

09/28/2005 - This item was not listed on the agenda distributed to the public.

09/28/2005 - This revision was not shown on the Agenda mailed to the public.

Outcome Withdrawn

Yes: (none)

No: (none)

Abstain: (none)

Absent: (none)

Telecommunication Orders**19**

[4819]

R01-09-001 - Order Instituting Rulemaking on the Commission's own motion to assess and revise the new regulatory framework for Pacific Bell and Verizon California Incorporated.

I01-09-002 - Related matters. This decision grants the petition of The Utility Reform Network and Office of Ratepayer Advocates to expand the years covered by the proposed New Regulatory Framework audit and denies the petition of Verizon to limit the scope of the audit in Phase III, but states that it will consider whether and how to set a cost cap for the audit in Phase III. In addition, the decision defers the commencement of the audit until the conclusion of A05-04-020 or Phase 3 of the instant proceeding, whichever is later.

(Comr Kennedy - ALJ Kenney)

Agenda 3157, Item 61 8/25/2005 (Brown);

Agenda 3158, Item 33 9/8/2005 (Bohn);

Agenda 3159, Item 37 9/22/2005 (Kennedy)

Outcome Held (10/27/05. Further review.)

Yes: (none)

No: (none)

Abstain: (none)

Absent: (none)

19a

[4873]

ALTERNATE TO ITEM 4819

I01-09-002 - Related matters. This alternate decision varies from the draft decision in that it does not attempt to direct ORA's audit of Verizon nor does it put limitations on ORA's audit via the allocation of funding for the audit.

(Comr Brown)

Agenda 3157, Item 61a 8/25/2005 (Brown);

Agenda 3158, Item 33a 9/8/2005 (Bohn);

Agenda 3159, Item 37a 9/22/2005 (Kennedy)

Outcome Held (10/27/05. Further review.)

Yes: (none)

No: (none)

Abstain: (none)

Absent: (none)

Water/Sewer Orders**20**

[4892]

C03-09-001 - Casmalia Community Services District vs. Unocal Corporation, aka Casmite Water System.

A03-12-024 - Related matters. This decision issues a certificate of public convenience and necessity (CPCN) to Casmite Corporation to operate existing water system as a public utility, authorizes initial rates, and imposes sanctions for operating without CPCN.

(Comr Brown - ALJ Thorson)

Agenda 3159, Item 38 9/22/2005 (Bohn)

Outcome Held (10/27/05. Possible alternate.)

Yes: (none)

No: (none)

Abstain: (none)

Absent: (none)

Legal Division Matters

21

[4951]

Res L-322

This resolution authorizes the disclosure of records concerning a Consumer Protection and Safety Division, Safety and Reliability Branch, Utilities Safety Section investigation of an incident involving the facilities of the Southern California Edison Company in Moorpark, California on March 18, 2003, Incident No. ER20030318-02.

Outcome Approved

Yes: (Brown, Grueneich, Kennedy, Peevey)

No: (none)

Abstain: (none)

Absent: (Bohn)

Commissioner's Reports

22

[4957]

President Peevey and Commissioner Grueneich Report

Discussion and possible action on a revised Energy Action Plan II as adopted by the California Energy Commission on September 21, 2005.

Outcome Approved

Yes: (Brown, Grueneich, Kennedy, Peevey)

No: (none)

Abstain: (none)

Absent: (Bohn)

23

[4958]

President Peevey and Commissioner Grueneich Report

Discussion of and possible action on a policy statement related to the procurement of electric power from coal-fired power plants in the Western region.

Outcome Approved as Modified (Change p. 2.)

Yes: (Brown, Grueneich, Kennedy, Peevey)

No: (none)

Abstain: (none)

Absent: (Bohn)

Management Reports and Resolutions

24

[4936]

General Counsel Wu Report

Additional Addendum to Summary of Material Terms of DWR Financing Documents; to provide for refinancing a portion of DWR's Power Supply Revenue Bonds.

Agenda 3159, Item 42 9/22/2005 (Bohn)

Outcome Approved-Staff Recommendation

Yes: (Brown, Grueneich, Kennedy, Peevey)

No: (none)

Abstain: (none)

Absent: (Bohn)

Closed Session

This notice is furnished under Government Code Sections 11125 and 11126.3. The Commission will meet in Closed Session following the Public Session of its regularly scheduled meeting. In the Closed Session, the Commission may consider personnel matters as provided under Government Code Section 11126(a), institution of proceedings or disciplinary actions against any person or entity under the jurisdiction of the Commission as provided under Government Code Sections 11126(d)(2) and 11126(e)(2)(C)(i), and pending litigation as provided under Government Code Section 11126(e). Additional items may be added to the closed session agenda pursuant to Gov. Code Section 11126.3(d). If in Closed Session the Commission votes to appoint, employ, or dismiss a public employee, the Commission will thereafter reconvene in Open Session to make the

Non-Federal

26

[4928]

R01-09-001 - Conference with Legal Counsel - Application for Rehearing

I01-09-002 - Related matters. Disposition of Application for Rehearing of D04-02-063 filed jointly by the Office of Ratepayer Advocates and The Utility Reform Network. In D04-02-063, the Commission disposed of four of 72 findings resulting from an audit of SBC Pacific Telephone Company (Pacific) for the period of 1997 to 1999. Among other things, the Decision determined that Pacific had properly written off the regulatory asset associated with post-retirement benefits other than pensions (PBOPs) above the line in 1998.

Agenda 3159, Item 45 9/22/2005 (Staff)

Outcome Held (10/27/05.)

Yes: (none)

No: (none)

Abstain: (none)

Absent: (none)

27

[4952]

C04-05-014 - Conference with Legal Counsel - Application for Rehearing

Disposition of application for rehearing of Decision 05-06-030, filed by Utilisource. In Decision D05-06-030, Commission denied Applicant's complaint against Southern California Edison Company for failing to put its customers on direct access, as mandated by D01-09-060, as modified by D01-10-036, and affirmed by D02-03-055.

Outcome Signed

D05-10-016

Yes: (Brown, Grueneich, Kennedy, Peevey)

No: (none)

Abstain: (none)

Absent: (Bohn)

28

[4954]

R04-01-025 - Conference with Legal Counsel - Application for Rehearing

The Utility Reform Network (TURN) and Ratepayers for Affordable Clean Energy (RACE) filed a joint application for rehearing of D04-09-022 on October 12, 2004. RACE also separately filed an application for rehearing of D04-09-022 on October 12, 2004. D04-09-022 adopts policies concerning the Phase One proposals of Southern California Gas Company, San Diego Gas & Electric Company, Pacific Gas and Electric Company, and Southwest Gas Company. These proposals were filed in accordance with this Order Instituting Rulemaking, which was opened to ensure that California does not face a natural gas shortage in the future. The policies adopted in D04-09-022 are part of the State's overall effort to implement and fulfill the Energy Action Plan's goal.

Outcome Held (10/27/05.)

Yes: (none)

No: (none)

Abstain: (none)

Absent: (none)

29

[4956]

R02-11-039 - Conference with Legal Counsel - Application for Rehearing

Disposition of applications for rehearing of D04-05-017 and D04-05-018 filed by Mirant Delta, LLC and Mirant Potrero, LLC; Western Power Trading Forum et al.; and Elk Hills Power, LLC.

D04-05-017 and D04-05-018 adopted requirements for the operation and maintenance of electric generating facilities pursuant to Public Utilities Code Section 761.3. D04-05-017 adopted Logbook Standards for thermal powerplants; D04-05-018 adopted General Order 167 implementing General Duty Standards and Maintenance Standards for electric generating facilities.

Outcome Held (10/27/05.)

Yes: (none)

No: (none)

Abstain: (none)

Absent: (none)